A review of key residential indicators across major Australian cities and regional areas

Australian Residential Review

Q4 2020

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AUSTRALIAN RESIDENTIAL MARKET

As with many other cities around the world, the strength of the property market heading into the pandemic influenced the speed in the recovery once covid-19 restrictions began to ease. Most Australian cities were well-positioned to take advantage of the spring selling season to meet pent-up demand and this appetite is likely to continue heading into the new year.

Australia ranked 29th globally for annual property price growth in Q3 2020 with growth of 4.1%. Australia's property market has continued to remain resilient, albeit moderated, throughout the pandemic bolstered by significant economic stimulus, including the recently extended HomeBuilder grant and pent-up demand from those previously priced out of major city markets. For those fortunate to not lean on additional government support as the economy paused, have seen a rise in household savings whilst living through the pandemic. Investors have returned to the market as we see more mortgage rate compression, and this is likely to fuel further growth in 2021.

Key Drivers

Australia's **economy** contracted by 3.8% in the year ending September 2020, with the **unemployment** rate at 6.9% in September 2020 (ABS). The official **cash rate** target was 0.10% as at December 2020. In the September 2020 quarter, average **mortgage lending rates** to owner occupiers fell by 101 bps to 2.35% for a 3-year fixed term loan and was down 42 bps to 4.52% for a standard variable loan. By comparison, for investors, a 3-year fixed term fell by 109 bps to 2.71% and a standard variable loan was down by 42 bps to 5.10% (RBA).

New household **loan commitments** were up 20.0% in Q3 2020 across Australia, and residential building approvals were up 8.3%; when compared to Q2 2020 (ABS).

The weighted average total **residential vacancy** for Australian capital cities was last recorded at 3.0% in September 2020, remaining stable over the past quarter (REIA).

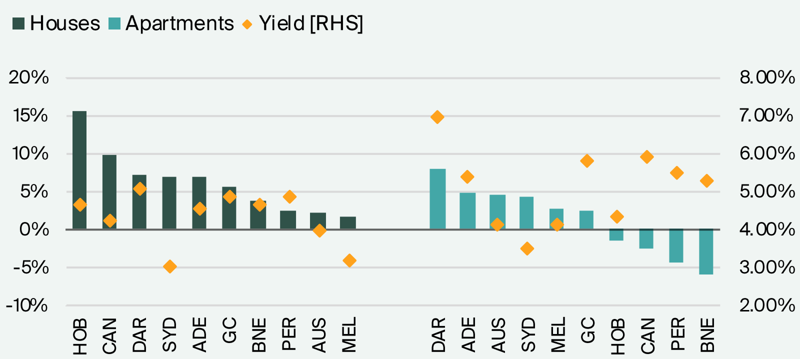
Houses

Median house values across Australia rose 4.6% in the year ending September 2020 (up 0.9% in the last quarter) to $812,000. There were 68,146 house **sales** across Australia in the September 2020 quarter, rising 8.7% on the previous quarter. Gross rental **yields** rose 1 bps in the third quarter of 2020 with Australian houses averaging 4.13%. Median house **rents** across Australia increased by 2.4% in Q3 2020 to stand at $430 per week (APM).

Apartments

Median apartment values across Australia rose 2.2% in the year ending September 2020 (up 0.1% in the last quarter) to $561,500. Across Australia, there were 19,225 apartment **sales** in the September 2020 quarter, rising 3.4% on the previous quarter. In the third quarter of 2020, gross rental **yields** fell 16 bps with Australian apartments averaging 4.00%. Across Australia, median apartment **rents** remained steady in Q3 2020, at $430 per week (APM).

Annual Capital Growth & Gross Rental Yield
%, Major Australian Cities, as at 30 September 2020



Source: Knight Frank Research, APM

SYDNEY

Key Drivers

Population in Greater Sydney was estimated at 5.3 million persons in June 2019, with annual **population growth** of 1.6%. The **projected population growth** to 2041 is also 1.6% per annum (ABS).

New South Wales (NSW) **economic growth** was estimated at −4.5% in 2020 with a forecast of 2.4% in 2024 (Oxford Economics). Greater Sydney **unemployment** stood at 6.8% as at September 2020, trending 17 bps higher than the quarter before (ABS).

New household **loan commitments** in NSW were up by 16.7% in the September 2020 quarter; higher than −9.3% recorded the previous quarter (ABS). The number of lending commitments to owner occupier **first home buyers** in NSW grew by 17.5% in the month of September 2020, compared to −2.6% a year earlier. This first home buyer group represented 24.1% of all NSW owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 4,156 houses and 3,579 apartments in Greater Sydney. This was trending 8.3% higher for houses but 0.9% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 4.1% in Greater Sydney as at September 2020; recording 5.5% in the Inner Suburbs (0-10km from the CBD), 5.5% in the Middle Suburbs (10-25km) and 2.1% in the Outer Suburbs (25km+) (REINSW).

The **auction clearance rate** for the week ending 29 November 2020 was 72.5% from 886 scheduled **auctions**. This was higher than the week prior, at 71.6% from 805 scheduled auctions, but lower than the comparable week a year earlier when 78.1% (out of 1,221 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 6.8% for houses; up 1.2% over the past quarter to a **median value** of $1,154,500.

The quarterly **volume of sales** tallied 11,911 houses, up 25.0% as at September 2020. The **average days on market** for a house stood at 74 days in the September 2020 quarter. One quarter ago, this was 65 days.

Gross rental yields for houses trended down 2 bps to 3.02% over the third quarter of 2020. **Rents** rose 1.9% for houses over the quarter ending September 2020, to stand at a weekly median rent of $540 (APM).

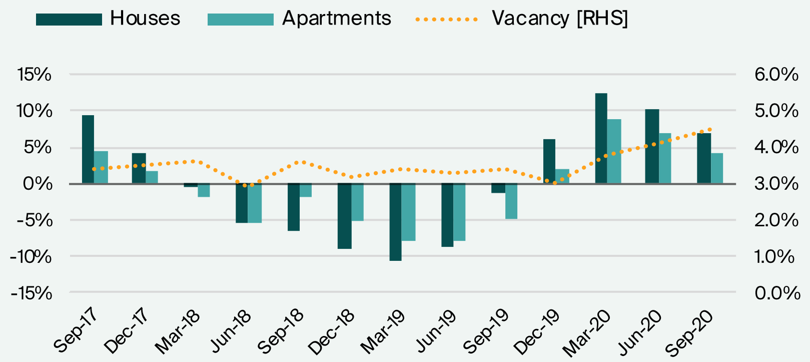
Apartments

Capital growth for apartments rose 4.3% over the past year to September 2020, but down 0.2% in the last quarter to a **median value** of $732,500.

The **volume of sales** over the quarter tallied 6,659 apartments as at September 2020, up 13.1%. **Average days on market** for an apartment was 79 days in the September 2020 quarter. This was 72 days one quarter ago.

Gross rental yields for apartments trended down 13 bps to 3.53% over the September 2020 quarter. Over the same time, **rents** fell 1.0% for apartments where median rents stood at $495 per week (APM).

Annual Capital Growth & Total Vacancy
%, Greater Sydney



Source: Knight Frank Research, APM, REINSW

MELBOURNE

Key Drivers

Population in Greater Melbourne was estimated at 5.1 million persons in June 2019, with annual **population growth** of 2.3%. The **projected population growth** to 2041, is lower, at 1.9% per annum (ABS).

Victorian **economic growth** was estimated at −5.5% in 2020 with a forecast of 4.0% in 2024 (Oxford Economics). Greater Melbourne **unemployment** stood at 6.9% as at September 2020, trending 84 bps lower than the quarter before (ABS).

New household **loan commitments** in Victoria were up by 3.9% in the September 2020 quarter; higher than −7.2% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Victoria fell by 6.4% in the month of September 2020, compared to −6.6% a year earlier. This first home buyer group represented 29.3% of all Victorian owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 7,369 houses and 5,622 apartments in Greater Melbourne. This was trending up 10.7% for houses and up 10.4% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 4.3% in Greater Melbourne as at September 2020; recording 5.3% in the Inner Suburbs (0-10km from the CBD), 4.5% in the Middle Suburbs (10-20km) and 1.8% in the Outer Suburbs (20km+) (REIV).

The **auction clearance rate** for the week ending 29 November 2020 was 69.3% from 909 scheduled **auctions.** This was lower than the week prior, at 70% from 646 scheduled auctions, and lower than the comparable week a year earlier when 74.8% (out of 1,533 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 1.6% for houses; but remained steady over the past quarter to a **median value** of $876,000.

The quarterly **volume of sales** tallied 6,152 houses, down 35.5% as at September 2020. The **average days on market** for a house stood at 76 days in the September 2020 quarter. One quarter ago, this was 63 days.

Gross rental yields for houses trended up 1 bp to 3.18% over the third quarter of 2020. **Rents** rose 2.3% for houses over the quarter ending September 2020, to stand at a weekly median rent of $440 (APM).

Apartments

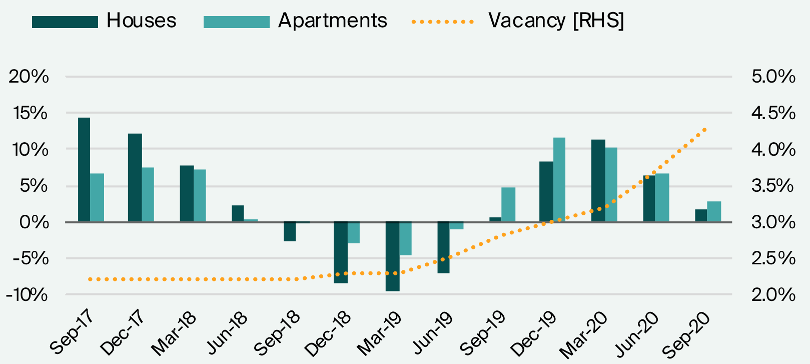
Capital growth for apartments rose 2.8% over the past year to September 2020, but down 0.1% in the last quarter to a **median value** of $536,500.

The **volume of sales** over the quarter tallied 2,254 apartments as at September 2020, down 38.9%. **Average days on market** for an apartment was 79 days in the September 2020 quarter. This was 77 days one quarter ago.

Gross rental yields for apartments trended down 13 bps to 4.12% over the September 2020 quarter. Over the same time **rents** fell 3.6% for apartments where median rents stood at $400 per week (APM).

Annual Capital Growth & Total Vacancy

%, Greater Melbourne



Source: Knight Frank Research, APM, REIV

BRISBANE

Key Drivers

Population in Greater Brisbane was estimated at 2.5 million persons in June 2019, with annual **population growth** of 2.1%. The **projected population growth** to 2041, is lower, at 1.7% per annum (ABS).

Queensland **economic growth** was estimated at −1.4% in 2020 with a forecast of 3.0% in 2024 (Oxford Economics). Greater Brisbane **unemployment** stood at 6.9% as at September 2020, trending 78 bps lower than the quarter earlier (ABS).

New household **loan commitments** in Queensland were up by 40.2% in the September 2020 quarter; up from -18.9% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Queensland grew by 25.9% in the month of September 2020, compared to 3.2% a year earlier. This first home buyer group represented 29.1% of all Queensland owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 3,079 houses and 2,035 apartments in Greater Brisbane. This was trending up 8.5% for houses and 24.6% higher for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 1.4% in Greater Brisbane as at September 2020; recording 3.7% in the Inner Suburbs (0-5km from the CBD), 1.7% in the Middle Suburbs (5-20km) and 1.1% in the Outer Suburbs (20km+) (REIQ).

The **auction clearance rate** for the week ending 29 November 2020 was 61.8% from 124 scheduled **auctions**. This was higher than the week prior, at 57.6% from 119 scheduled auctions, and higher than the comparable week a year earlier when 43% (out of 143 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 3.7% for houses; and rose 0.4% over the past quarter to a **median value** of $596,500.

The quarterly **volume of sales** tallied 6,093 houses, down 2.3% as at September 2020. The **average days on market** for a house stood at 99 days in the September 2020 quarter. One quarter ago, this also stood at 99 days.

Gross rental yields for houses increased by 7 bps to 4.67% over the third quarter of 2020. **Rents** rose 3.8% for houses over the quarter ending September 2020, to stand at a weekly median rent of $415 (APM).

Apartments

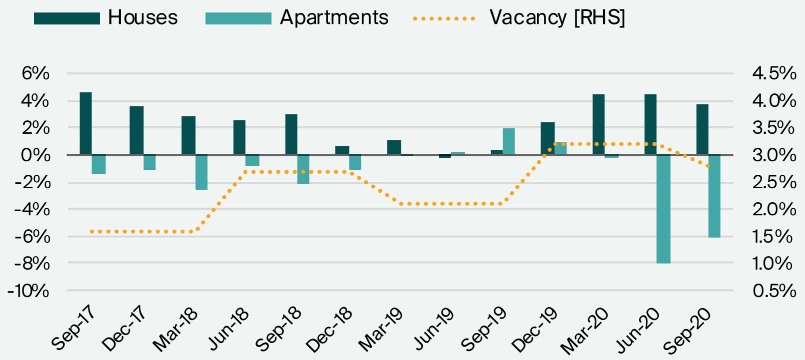
Capital growth for apartments fell 6.1% over the past year to September 2020, but rose 1.7% in the last quarter to a **median value** of $383,500.

The **volume of sales** over the quarter tallied 1,973 apartments as at September 2020, down 7.7%. **Average days on market** for an apartment was 134 days in the September 2020 quarter. This was 143 days one quarter ago.

Gross rental yields for apartments trended up 3 bps to 5.27% over the September 2020 quarter. Over the same time, **rents** rose 3.9% for apartments where median rents stood at $395 per week (APM).

Annual Capital Growth & Total Vacancy

%, Greater Brisbane



Source: Knight Frank Research, APM, REIQ

PERTH

Key Drivers

Population in Greater Perth was estimated at 2.1 million persons in June 2019, with annual **population growth** of 1.3%. The **projected population growth** to 2041, is higher, at 1.6% per annum (ABS).

Western Australia (WA) **economic growth** was estimated at –1.5% in 2020 with a forecast of 4.1% in 2024 (Oxford Economics).

Greater Perth **unemployment** stood at 7.2% as at September 2020, trending 122 bps lower than the quarter earlier (ABS).

New household **loan commitments** in WA were up by 55.5% in the September 2020 quarter; higher than –21.2% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in WA grew by 23.2% in the month of September 2020, compared to –6.9% a year earlier. This first home buyer group represented 36.9% of all WA owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 3,127 houses and 573 apartments in Greater Perth. This was trending 27.6% higher for houses but 32.7% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Greater Perth as at September 2020. This was 110 bps lower than one quarter ago at 2.0%, and down 160 bps from 2.5% recorded a year earlier (REIWA).

The **auction clearance rate** for the week ending 29 November 2020 was 78.9% from 19 scheduled **auctions**. This was higher than the week prior, at 38.9% from 18 scheduled auctions, and higher than the comparable week a year earlier when 47.2% (out of 64 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 2.4% for houses; rising by 0.5% over the past quarter to a **median value** of $534,500.

The quarterly **volume of sales** tallied 6,506 houses, up 6.6% as at September 2020. The **average days on market** for a house stood at 147 days in the September 2020 quarter. One quarter ago, this was 146 days.

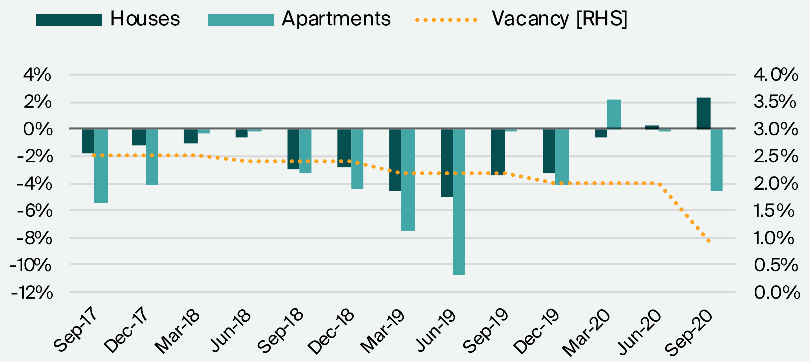
Gross rental yields for houses trended up 24 bps to 4.89% over the third quarter of 2020. **Rents** rose 6.8% for houses over the quarter ending September 2020, to stand at a weekly median rent of $395 (APM).

Apartments

Capital growth for apartments fell 4.5% over the past year to September 2020; rising 0.7% in the last quarter to a **median value** of $336,000. The **volume of sales** over the quarter tallied 655 apartments as at September 2020, up 2.2%. **Average days on market** for an apartment was 142 days in the September 2020 quarter. This was 157 days one quarter ago.

Gross rental yields for apartments trended upwards 35 bps to 5.52% over the September 2020 quarter. Over the same time, **rents** increased by 6.3% for apartments where median rents stood at $340 per week (APM).

Annual Capital Growth & Total Vacancy
%, Greater Perth



Source: Knight Frank Research, APM, REIWA

GOLD COAST

Key Drivers

Population in the Gold Coast LGA was estimated at 620,500 persons in June 2019, with annual **population growth** of 2.3%. The **projected population growth** to 2041, is lower, at 2.1% per annum (ABS).

Queensland **economic growth** was estimated at −1.4% in 2020 with a forecast of 3.0% in 2024 (Oxford Economics). Gold Coast LGA **unemployment** stood at 5.8% as at June 2020, trending 30 bps higher than the quarter earlier (ABS).

New household **loan commitments** in Queensland were up by 40.2% in the September 2020 quarter; up from -18.9% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Queensland grew by 25.9% in the month of September 2020, compared to 3.2% a year earlier. This first home buyer group represented 29.1% of all Queensland owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 398 houses and 268 apartments in the Gold Coast LGA. This was trending up 11.2% for houses but 52.7% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 1.6% in the Gold Coast LGA as at September 2020. This is 140 bps lower than one quarter ago and also down 140 bps from 3.0% recorded a year earlier (REIQ).

Houses

Over the year ending September 2020, **capital growth** increased 5.6% for houses; and increased 2.3% over the past quarter to a **median value** of $665,000.

The annual **volume of sales** tallied 7,606 houses, decreasing 7.3% as at September 2020.

The **average days on market** for a house stood at 105 days in the September 2020 quarter. One quarter ago, this was 101 days.

Gross rental yields trended down 2 bps for houses to 4.88% over the third quarter of 2020.

Rents were stable for houses over the quarter ending September 2020, to stand at a weekly median rent of $520 (APM).

Apartments

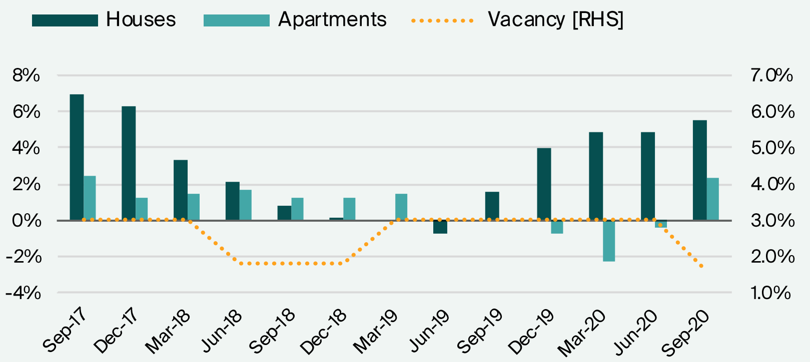
Capital growth for apartments rose 2.4% over the past year to September 2020, and also up 2.4% in the last quarter to a **median value** of $435,000.

The **volume of sales** over the year tallied 5,584 apartments as at September 2020, down 15.2%.

Average days on market for an apartment was 147 days in the September 2020 quarter. This was 133 days one quarter ago.

Gross rental yields for apartments increased 1 bps to 5.81% over the September 2020 quarter. Over the same time, **rents** remained stable for apartments where median rents stood at $425 per week (APM).

Annual Capital Growth & Total Vacancy
%, Gold Coast LGA



Source: Knight Frank Research, APM, REIQ

ADELAIDE

Key Drivers

Population in Greater Adelaide was estimated at 1.4 million persons in June 2019, with annual **population growth** of 1.0%. The **projected population growth** to 2041, is lower at 0.8% per annum (ABS).

South Australian (SA) **economic growth** was estimated at -1.2% in 2020 with a forecast of 2.2% in 2024 (Oxford Economics). Greater Adelaide **unemployment** stood at 7.1% as at September 2020, trending 143 bps lower than the quarter earlier (ABS).

New household **loan commitments** in SA were up by 26.6% in the September 2020 quarter; higher than –7.5% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in SA grew by 26.0% in the month of September 2020, compared to a fall of 7.5% a year earlier. This first home buyer group represented 23.5% of all SA owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 1,786 houses and 379 apartments in Greater Adelaide. This was trending 4.4% lower for houses and down by 49.1% for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Greater Adelaide as at September 2020. This was 20 bps lower than a quarter ago, and down 10 bps from 1.0% recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 29 November 2020 was 72.1% from 111 scheduled **auctions**. This was higher than the week prior, at 48.9% from 94 scheduled auctions, and higher than the comparable week a year earlier when 65.5% (out of 148 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 6.8% for houses; and 2.8% over the past quarter to a **median value** of $565,000. The quarterly **volume of sales** tallied 4,877 houses, up 25.2% as at September 2020. The **average days on market** for a house stood at 117 days in the September 2020 quarter. One quarter ago, this was 107 days.

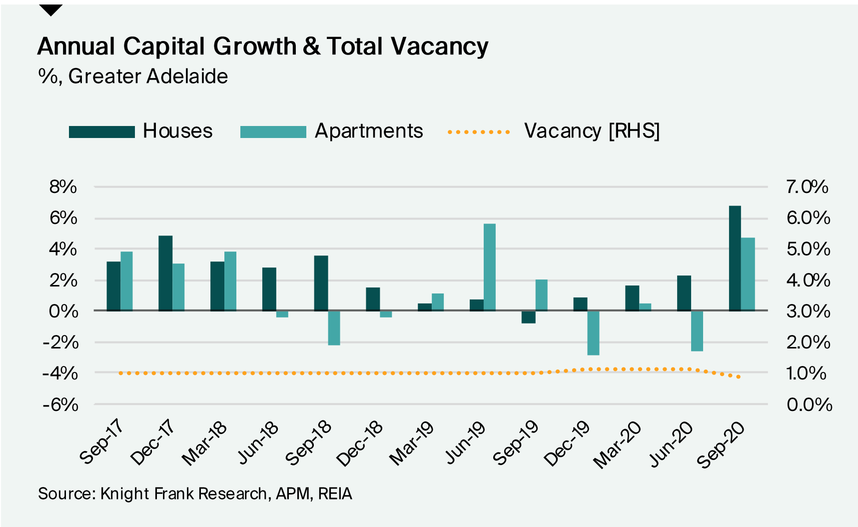
Gross rental yields for houses trended higher by 10 bps to 4.56% over the third quarter of 2020. **Rents** increased 2.5% for houses over the quarter ending September 2020, to stand at a weekly median rent of $405 (APM).

Apartments

Capital growth for apartments rose 4.8% over the past year to September 2020, also rising 4.4% in the last quarter to a **median value** of $331,500.

The **volume of sales** over the quarter tallied 1,346 apartments as at September 2020, up 71.9%. **Average days on market** for an apartment was 156 days in the September 2020 quarter. This was 137 days one quarter ago.

Gross rental yields for apartments trended up 7 bps to 5.41% over the September 2020 quarter. Over the same time, **rents** rose 6.3% for apartments where median rents stood at $340 per week (APM).



HOBART

Key Drivers

Population in Greater Hobart was estimated at 236,250 persons in June 2019, with annual **population growth** of 1.5%. The **projected population growth** to 2041, is lower, at 0.9% per annum (ABS).

Tasmanian **economic growth** was estimated at −4.2% in 2020 with a forecast of 2.1% in 2024 (Oxford Economics). Greater Hobart **unemployment** stood at 5.7% as at September 2020, trending 109 bps lower than the quarter ago (ABS).

New household **loan commitments** in Tasmania were up by 32.4% in the September 2020 quarter; higher than −12.1% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in Tasmania fell by 6.6% in the month of September 2020, compared to 3.2% a year earlier. This first home buyer group represented 20.7% of all Tasmania owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 395 houses and less than 25 apartments in Greater Hobart. This was trending 3.7% higher for houses but remained stable for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 2.3% in Greater Hobart as at September 2020. This was down 30 bps from 2.6% one quarter ago but up 50 bps from 1.8% recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 29 November 2020 was 0% from 4 scheduled **auctions**. This was similar to the week prior at 0% from 5 scheduled auctions, but lower than the comparable week a year earlier when 75% (out of 10 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 15.7% for houses; up 6.9% over the past quarter to a **median value** of $556,000.

The quarterly **volume of sales** tallied 672 houses, down 5.0% as at September 2020. The **average days on market** for a house stood at 70 days in the September 2020 quarter. One quarter ago, this was 47 days.

Gross rental yields for houses trended up 3 bps to 4.66% over the third quarter of 2020. **Rents** remained stable for houses over the quarter ending September 2020, to stand at a weekly median rent of $450 (APM).

Apartments

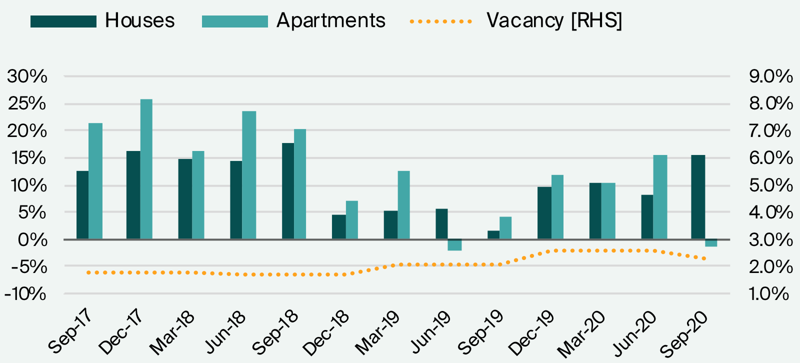
Capital growth for apartments fell 1.5% over the past year to September 2020, and fell 9.1% in the last quarter to a **median value** of $384,500.

The **volume of sales** over the quarter tallied 139 apartments as at September 2020, up 32.4%. **Average days on market** for an apartment was 44 days in the September 2020 quarter. This was 40 days one quarter ago.

Gross rental yields for apartments trended down 15 bps to 4.35% over the September 2020 quarter. Over the same time, **rents** rose 5.3% for apartments where median rents stood at $400 per week (APM).

Annual Capital Growth & Total Vacancy

%, Greater Hobart



Source: Knight Frank Research, APM, REIA

CANBERRA

Key Drivers

Population in Canberra was estimated at 426,750 persons in June 2019, with annual **population growth** of 1.4%. The **projected population growth** to 2041, is higher, at 1.5% per annum (ABS).

The Australian Capital Territory (ACT) **economic growth** was estimated at 4.4% in 2020 with a forecast of 2.8% in 2024 (Oxford Economics). Canberra **unemployment** stood at 3.7% as at September 2020, trending 39 bps lower than the quarter earlier (ABS).

New household **loan commitments** in the ACT were up by 28.7% in the September 2020 quarter; higher than -4.7% recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in the ACT rose by 19.2% in the month of September 2020, compared to 6.8% a year earlier. This first home buyer group represented 25.4% of all ACT owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 299 houses and 868 apartments in Canberra. This was trending lower by 2.6% for houses and by 22.1% lower for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 0.9% in Canberra as at September 2020. This was down 20 bps from one quarter ago, and 30 bps lower from 1.2% one year earlier (REIA).

The **auction clearance rate** for the week ending 29 November 2020 was 73.9% from 115 scheduled **auctions**. This was lower than the week prior, at 79.3% from 116 scheduled auctions, but higher than the comparable week a year earlier when 71.8% (out of 87 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** increased 9.8% for houses; up 3.5% over the past quarter to a **median value** of $818,000.

The quarterly **volume of sales** tallied 1,119 houses, down 2.9% as at September 2020. The **average days on market** for a house stood at 77 days in the September 2020 quarter. One quarter ago, this was also 73 days.

Gross rental yields for houses remained stable to 4.24% over the third quarter of 2020. **Rents** increased 0.9% for houses over the quarter ending September 2020, to stand at a weekly median rent of $580 (APM).

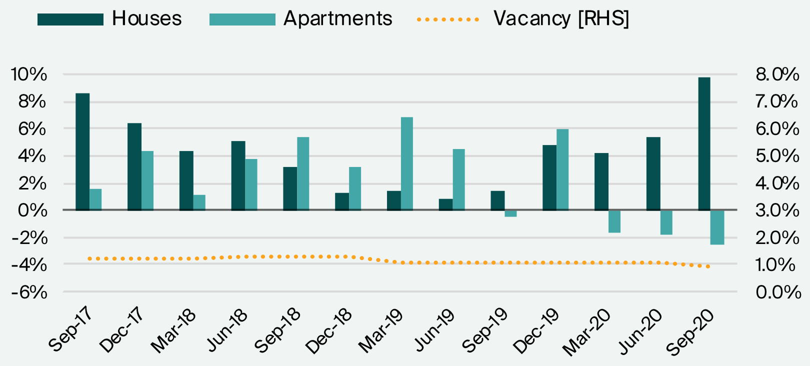
Apartments

Capital growth for apartments fell 2.6% over the past year to September 2020, also down 2.1% in the last quarter to a **median value** of $447,000.

The **volume of sales** over the quarter tallied 741 apartments as at September 2020, down 24.3%. **Average days on market** for an apartment was 120 days in the September 2020 quarter. This was 127 days one quarter ago.

Gross rental yields for apartments trended down 8 bps to 5.92% over the September 2020 quarter. Over the same time, **rents** rose 2.1% for apartments where median rents stood at $480 per week (APM).

Annual Capital Growth & Total Vacancy
%, Canberra



Source: Knight Frank Research, APM, REIA

DARWIN

Key Drivers

Population in Greater Darwin was estimated at 147,250 persons in June 2019, with annual **population growth** of −0.9%. The **projected population growth** to 2041, is higher, at 1.8% per annum (ABS).

The Northern Territory (NT) **economic growth** was estimated at 2.7% in 2020 with a forecast of 2.5% in 2024 (Oxford Economics). Greater Darwin **unemployment** stood at 5.1% as at September 2020, trending 22 bps lower than the quarter earlier (ABS).

New household **loan commitments** in the NT were up by 33.9% in the September 2020 quarter; higher than −10.6% growth recorded the previous quarter (ABS).

The number of lending commitments to owner occupier **first home buyers** in the NT grew by 6.5% in the month of September 2020, compared to −2.9% a year earlier. This first home buyer group represented 38.9% of all NT owner occupier loans in September 2020 (ABS).

Building approvals in the quarter ending September 2020 totalled 85 houses and less than 25 apartments in Greater Darwin. This was trending 6.3% higher for houses but remained stable for apartment approvals compared to the quarter earlier (ABS).

Total residential vacancy was 1.6% in Greater Darwin as at September 2020. This was down 240 bps from 4.0% one quarter ago, and down 430 bps from 5.9% recorded a year earlier (REIA).

The **auction clearance rate** for the week ending 29 November 2020 was 100% from 5 scheduled **auction**. This was lower similar to the week prior, at 100% from 1 scheduled auction, but higher than the comparable week a year earlier when 50% (out of 6 auctions) were sold (CoreLogic).

Houses

Over the year ending September 2020, **capital growth** rose by 7.2% for houses; and 6.6% over the past quarter to a **median value** of $539,500.

The quarterly **volume of sales** tallied 190 houses, up 15.2% as at September 2020. The **average days on market** for a house stood at 210 days in the June 2020 quarter. One quarter ago, this was 141 days.

Gross rental yields for houses trended up 22 bps to 5.07% over the third quarter of 2020. **Rents** rose 2.1% for houses over the quarter ending September 2020, to stand at a weekly median rent of $490 (APM).

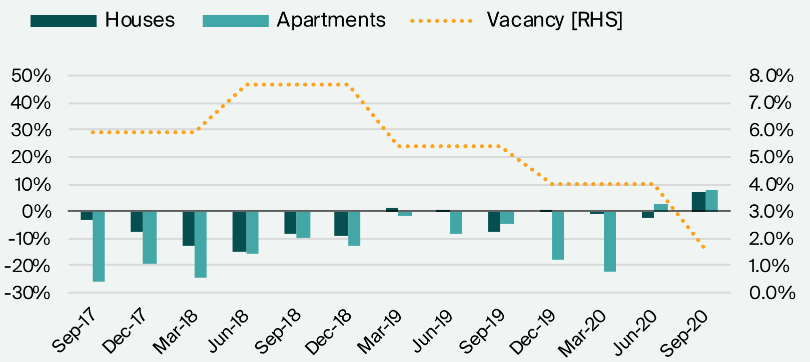
Apartments

Capital growth for apartments rose by 7.8% over the past year to September 2020, also up 4.5% in the last quarter to a **median value** of $326,500.

The **volume of sales** over the quarter tallied 130 apartments as at September 2020, up 39.8%. **Average days on market** for an apartment was 318 days in the September 2020 quarter. This was 282 days one quarter ago.

Gross rental yields for apartments trended up 38 bps to 6.99% over the September 2020 quarter. Over the same time, **rents** rose 2.6% for apartments where median rents stood at $390 per week (APM).

Annual Capital Growth & Total Vacancy
%, Greater Darwin



Source: Knight Frank Research, APM, REIA

REGIONAL AREAS

Annual Capital Growth, Houses

%, Key Regional Areas & Capital Cities, 30 September 2020

Southern Grampians, Vic	31.1%	Swan Hill, Vic	8.0%	Greater Shepparton, Vic	3.1%
Byron, NSW	29.6%	Warrnambool, Vic	7.9%	Tamworth Regional, NSW	2.9%
Isaac, Qld	22.7%	Port Macquarie-Hastings, NSW	7.6%	Nambucca, NSW	2.7%
Forbes, NSW	22.2%	Ballarat, Vic	7.6%	Richmond Valley, NSW	2.6%
Strathbogie, Vic	19.3%	Central Goldfields, Vic	7.6%	Snowy Valleys, NSW	2.6%
Burdekin, Qld	19.3%	Cootamundra-Gundagai Regional, NSW	7.5%	Kempsey, NSW	2.5%
Kiama, NSW	18.2%	Central Highlands, Qld	7.4%	Perth, WA	2.4%
Hobart, Tas	15.7%	Darwin, NT	7.2%	Toowoomba, Qld	1.9%
Wangaratta, Vic	15.5%	Wodonga, Vic	6.9%	Lithgow, NSW	1.6%
Noosa, Qld	15.3%	Wagga Wagga, NSW	6.8%	Melbourne, Vic	1.6%
Shoalhaven, NSW	14.8%	Sydney, NSW	6.8%	Muswellbrook, NSW	1.6%
Hilltops, NSW	14.3%	Yass Valley, NSW	6.8%	Colac Otway, Vic	1.4%
Wingecarribee, NSW	13.8%	Adelaide, SA	6.8%	South Gippsland, Vic	1.3%
Northern Grampians, Vic	13.3%	Benalla, Vic	6.7%	Cairns, Qld	1.2%
Murray River, NSW	12.9%	Cessnock, NSW	6.5%	Mount Alexander, Vic	0.7%
Orange, NSW	11.9%	Western Downs, Qld	6.4%	Bega Valley, NSW	0.6%
Corangamite, Vic	11.7%	Wellington, Vic	6.3%	Gannawarra, Vic	0.4%
Bass Coast, Vic	11.5%	Townsville, Qld	6.3%	Alpine, Vic	-0.1%
Ararat, Vic	11.5%	Macedon Ranges, Vic	6.0%	Gunnedah, NSW	-1.4%
Tweed, NSW	11.3%	Melton, Vic	5.8%	Horsham, Vic	-1.9%
Parkes, NSW	11.3%	Mildura, Vic	5.7%	Murrindindi, Vic	-2.2%
Shellharbour, NSW	11.1%	Hawkesbury, NSW	5.6%	Indigo, Vic	-2.5%
Golden Plains, Vic	10.9%	Albury, NSW	5.6%	Tablelands, Qld	-2.9%
Latrobe, Vic	10.9%	Rockhampton, Qld	5.6%	Broken Hill, NSW	-3.0%
Ballina, NSW	10.8%	Gold Coast, Qld	5.6%	Goondiwindi, Qld	-5.1%
Eurobodalla, NSW	9.9%	Mareeba, Qld	5.5%	Moira, Vic	-5.3%
Canberra, ACT	9.8%	Campaspe, Vic	5.5%	Inverell, NSW	-5.6%
Clarence Valley, NSW	9.6%	Hume, Vic	5.4%	Cassowary Coast, Qld	-9.1%
Greater Bendigo, Vic	9.5%	Mansfield, Vic	5.4%	Douglas, Qld	-16.2%
Wollongong, NSW	9.3%	Whitsunday, Qld	5.3%	Edward River, NSW	NA
Lake Macquarie, NSW	9.1%	Bundaberg, Qld	5.3%	Great Lakes, NSW	NA
Lismore, NSW	9.1%	Maitland, NSW	5.1%	Greater Taree, NSW	NA
Griffith, NSW	9.1%	Livingstone, Qld	5.0%	Port Stephens, NSW	NA
Baw Baw, Vic	9.1%	Glenelg, Vic	4.9%	Queanbeyan-Palerang Regional, NSW	NA
Mitchell, Vic	9.0%	Goulburn Mulwaree, NSW	4.8%	Young, NSW	NA
Snowy Monaro Regional, NSW	8.9%	Mount Isa, Qld	4.7%	Banana, Qld	NA
Singleton, NSW	8.7%	Gympie, Qld	4.5%	Charters Towers, Qld	NA
Coffs Harbour, NSW	8.7%	Mid-Western Regional, NSW	4.2%	Cook, Qld	NA
Gladstone, Qld	8.6%	South Burnett, Qld	4.2%	Hinchinbrook, Qld	NA
Southern Downs, Qld	8.5%	Moyne, Vic	3.8%	Ipswich, Qld	NA
Newcastle, NSW	8.5%	Cowra, NSW	3.8%	Lockyer Valley, Qld	NA
Surf Coast, Vic	8.4%	Brisbane, Qld	3.7%	Longreach, Qld	NA
Greater Geelong, Vic	8.4%	Leeton, NSW	3.7%	Maranoa, Qld	NA
Upper Hunter, NSW	8.3%	Mid-Coast, NSW	3.6%	Moreton Bay, Qld	NA
East Gippsland, Vic	8.3%	Mackay, Qld	3.5%	North Burnett, Qld	NA
Bellingen, NSW	8.2%	Bathurst Regional, NSW	3.4%	Redland, Qld	NA
Dubbo Regional, NSW	8.2%	Moorabool, Vic	3.4%	Scenic Rim, Qld	NA
Federation, NSW	8.1%	Fraser Coast, Qld	3.3%	Somerset, Qld	NA
Armidale Regional, NSW	8.1%	Hepburn, Vic	3.2%	Sunshine Coast, Qld	NA

Source: Knight Frank Research, APM

Note: Unless stated, all references to dollars or $ refer to Australian dollars (AUD).

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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